



# CAPITOL NEWS



**MEDICARE PRESCRIPTION CARD UPDATE.** The new Medicare law makes major changes to the nation's healthy insurance program for people age 65 and older and some persons with disabilities. For many seniors, the most important part of the law is a new benefit to help with their prescription drug costs. Started in June, discount cards with a Medicare-approved seal will save you about 10 to 25 percent on your total prescription drug costs. Medicare will contract with private companies to offer these cards and the cost will be no more than \$30. The card is optional and you do not have to get one if you don't want one. If you decide to get a Medicare-approved discount card from a private company, you may pay less for your prescription drugs than you do now. Discounts will vary by card, and each plan will be slightly different. Visit <http://www.medicare.gov> or call 1-800-Medicare for more information.

**BOOST TO RURAL BUSINESSES.** Businesses looking to expand or locate in rural areas now have new tax incentives to do so. The Michigan Economic Growth Authority (MEGA) will give businesses new economic development tools. MEGA offers Single Business Tax credits to qualifying companies that locate or expand operations in Michigan. To qualify, rural businesses would be required to produce a minimum of five qualified new jobs within the first five years. The MEGA program will end in 2009.

**SWEEPSTAKES FRAUD.** The Senate has passed legislation that would regulate sweepstakes solicitations and awarding of prizes. The legislation creates the Prize and Sweepstakes Regulation Act to regulate the notification and awarding of prizes and to establish penalties for violations of this act. A May 1998 study conducted jointly by the American Association of Retired Persons and the Michigan Attorney General, called "Senior Sting," monitored the mail of senior citizens showing them to be the most heavily targeted. In a 30 day period, 20 percent of the 1,766 solicitations received by 106 households were for sweepstakes entries, compared to less than 15 percent for credit cards and other types of solicitations. The bill has been sent to the House for further consideration.

**KEEPING MICHIGAN ON THE CUTTING EDGE.** Michigan has become a hotbed for research and development in the life sciences, automotive and high-tech industries. The following measures have already been signed into law and are helping create a more competitive business environment in our state. Government-funded research and development grants would be exempt from state taxes, helping to promote the research industry in Michigan. Previously, such grants were used to calculate a business's Single Business Tax burden although the grants could not be used to pay the tax. Approval was given for the creation of a state-lab accreditation program that will expand the use of private labs for state business. This change will increase competition and create new jobs. Finally, legislation to create venture capital investment incentives will help spur new investment in Michigan businesses, particularly in the high-tech and life sciences industry.

**CCW UPDATE.** Hunters with a CCW license can now carry their concealed pistols while hunting on state land under legislation signed into law earlier this year. Previously, DNR regulations did not allow CCW holders carry their firearm while hunting. While the new law permits hand guns on state land, it does not allow hunters to use their pistols for the purposes of hunting. For more information on the legislation, contact my office by calling 1-866-305-2121 or read [Senate Bill 221](#).

**CASINO LEGISLATION.** Legislation has been sent to the Governor that would raise the Detroit Casino's tax from 18 percent to 24 percent. It is expected that this increase will raise approximately \$50 million. One third would go to the city of Detroit and the rest will be placed in Michigan's General Fund/General Purpose funds.

**ABSTINENCE EDUCATION MEASURE SIGNED INTO LAW.** Legislation has been signed into law that would require students be taught about the responsibility of being a parent, as well as describe adoption as a positive option for unplanned pregnancies. It would also require that abstinence be taught as an alternative method of birth control until marriage. Students would learn that abstinence is the only 100 percent effective way to avoid pregnancy and sexually transmitted diseases.

**APPLIANCE SERVICE PROGRAMS CAN CONTINUE.** The legislature has adopted legislation that was signed into law allowing utilities to continue offering appliance service programs as long as they certain requirements. Public Act 88 of 2004 spells out certain circumstances under which a regulated utility could maintain a repair and servicing program. It requires the Public Service Commission to ensure that ratepayers are not subsidizing the program and prohibits the utility from promoting the program in its utility bills. The new law also allows electric utilities to continue offering furnace-and appliance-repair programs. Consumers Energy has a popular repair program which is utilized by approximately 175,000 customers. Many Michigan residents, especially seniors on a fixed income, rely on these kinds of programs for the peace of mind they provide.

**HELP AMERICANS VOTE ACT.** The Help America Vote Act (HAVA) was signed into law by the president on October 29, 2002. It creates many mandates for state and local governments. To date, nearly \$1.5 billion has been appropriated by Congress to assist state and local governments in meeting the requirements of HAVA. Michigan is eligible to receive approximately \$45 million this fiscal year – with an estimated \$33 million in additional grant funds coming over the next two fiscal years. The federal funding will allow Michigan to replace outdated voting equipment. The Help Americans Vote Act because of a federal mandate that will strengthen the election process by improving voting systems and making it easier for disabled Americans and military personnel to vote. More information regarding the Help America Vote Act is available on the Web site maintained by the Federal Election Commission at [Help America Vote Act of 2002](#).

**DOVE HUNTING UPDATE.** Michigan hunters will be able to hunt mourning doves for the first time under [Public Act 160 of 2004](#) in six counties only. The DNR and NRC are making



recommendations, based on US Fish and Wildlife Service regulations, to open the season this fall. According to the recommendations, hunters would be allowed to hunt mourning doves in six counties bordering Indiana and Ohio for a trial period of three years. The DNR will continually monitor the effects of the hunting of the mourning dove population.

**SPEEDY FRIEND OF THE COURT PAYMENTS.** [Senate Bill 1319](#) would eliminate the distribution of Friend of the Court payments through paper checks and employ new technology, similar to technology currently used to distribute benefits through the Family Independence Agency. The bill would help custodial parents care for their children by requiring the state to deliver Friend of the Court payments electronically by direct deposit or through a debit card system.

**WHEELS TO WORK.** Michigan residents who receive used vehicles from charities and the Family Independence Agency (FIA) free of charge are required to pay the State's use tax when the vehicles are registered to them. The transfer of an automobile from a charity to a recipient is not exempt, however. Since the amount of the use tax is based upon the donated vehicle's value, the recipient of a donated car, who is usually in a difficult financial position, sometimes must come up with hundreds of dollars to cover the use tax payment. In addition, if a charitable organization sells an automobile to a person, the organization is liable for the sales tax (unless the charity is exempt). Under the package of bills signed by the Governor, qualified recipients must work at least 20 hours per week and must keep their job after receiving the vehicle in order for these vehicles to be exempt from sales and use taxes. The bills would help also provide an incentive for individuals and businesses to donate their vehicles to a qualified charity, by giving them a credit against their State income tax or single business tax. By helping Michigan residents find work or move to better jobs, the charities also benefit the State, which receives tax revenue paid by the newly employed recipients of the vehicles.

**WIDER TRAILER WIDTHS APPROVED BY SENTATE.** Those who purchase trailers have shown a greater preference over the years for wider trailers on which to haul snowmobiles and other large loads. Apparently, the demand for wider trailers has grown to the extent that 96-inch trailers must be specially ordered. The law, however, has not evolved with the changing times. Many people probably do not even realize that their trailers are not legal on many roads in this State. The Senate has passed [Senate Bill 736](#) that would provide for this wider width in law and it has been sent to the House for further consideration.

**LATE REGISTRATION FEES WAIVED FOR STORED VEHICLES.** [Senate Bill 1192](#) has been introduced that would waive the late \$10 registration fee if the owner can verify the vehicle was in storage. The owner would still have to maintain comprehensive insurance during the period the vehicle was stored. It has been referred to the Senate Transportation Committee for consideration.

**DID YOU KNOW?** Learn more about our great lakes at the [The Great Lakes](#) website!

---

[About Ron](#) ■ [Capitol News](#) ■ [Your Opinion Counts](#) ■ [Sign Our Guest Book](#)  
[Michigan Legislature](#) ■ [Home](#)

---

